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### Report of the Ethics Office

#### *Summary*

This is the third report presented to the UNICEF Executive Board, in compliance with its decision 2010/18. It covers the fourth full year of functioning of the Ethics Office. This annual report covers each of the mandated areas of work for the Ethics Office: (a) standard setting and policy support; (b) training, education and outreach; (c) advice and guidance; (d) the Financial Disclosure Programme; (e) protection of staff against retaliation; and (f) participation in the United Nations Ethics Committee.

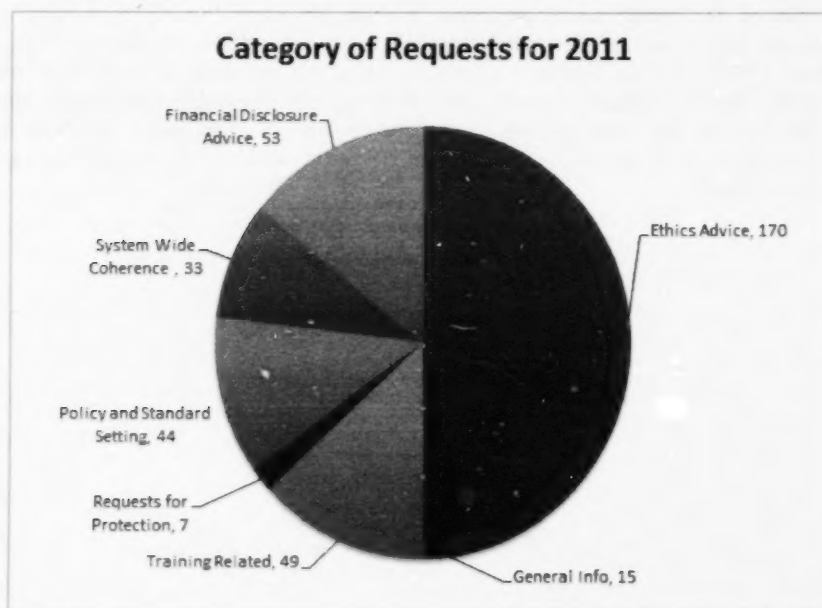
\* E/ICEF/2012/9.



## Introduction and general information

1. The Ethics Office has shifted from building the office and structuring the Financial Disclosure Programme to an increased focus on providing substantive guidance and advice. This is likely due to several factors. Firstly, the Financial Disclosure Programme has now become a regular part of the organization's cycle of work. Its purpose is clearer to staff and the importance of participation is far better understood. Secondly, outreach has been done through training, sessions at management meetings and liaison with the Staff Association. This has deepened staff understanding of ethical issues in the workplace — and how to manage them — and led to greater awareness of the resources available to help manage these concerns. Thirdly, additional communications media, such as the use of web seminars (webinars), have kept the ethics messages increasingly present to staff. The Ethics Office is currently creating innovative material for the intranet site, including best practices and case studies.

2. The overall number of requests has increased by more than 50 per cent, from 241 to 371.<sup>1</sup> This shows that staff members are increasingly likely to turn to the Ethics Office with their concerns. Of these requests, 170 were for ethics advice, 49 were training-related, 44 had to do with standard setting, 15 were for general information, and 7 were queries about or requests for protection against retaliation. In addition, there were 33 issues for which the Ethics Committee and the Ethics Network carried out intensive discussions between their formal meetings.



<sup>1</sup> This does not count the number of administrative questions on financial disclosure, which are decreasing as the system improves and filers are more familiar with it.

3. This shift towards requests for more guidance and advice is apparent in the nature of requests for advice, which have become increasingly substantive and complex. The highest percentage increase involved standard-setting and policy questions, which increased from 17 in 2010 to 44 in 2011. These included consultations with senior staff on the application of existing policies as well as contributing to such areas as risk assessment.

4. The capacity of the Ethics Office was strengthened considerably, with the addition of an Ethics Officer at the P-1 level, concentrating in communications, starting in mid-November 2011. In addition, a consultant has been engaged to assist in the review of financial disclosures and in the preparation of guidance to staff members on conflicts of interest that arise.

5. For the 2012-2013 biennium, an operating budget of \$124,000 per year has been provided to the Ethics Office. This is augmented by the contributions of regional and country offices for training.

6. Throughout 2011, the Ethics Office worked closely with a number of offices across UNICEF: the Legal Advisor; the Office of Internal Audit (OIA), including the Investigations Unit; the Office of the Internal Ombudsman; the Division of Human Resources (DHR), especially the Policy and Administrative Law Section and the Office of the Staff Counsellor; the Programme Division; the Information Technology Solutions and Services Division; Private Fundraising and Partnerships Division; and the Global Staff Association. It also met regularly with the Office of the Executive Director.

### **Standard setting and policy support**

7. The Ethics Office increased its work in this area during the course of 2011. There was a marked increase in queries dealing with standard setting and requests for policy support. The queries came almost exclusively from managers, the majority of them at headquarters locations. Many of these were seeking guidance in the application of policies and standards. Requests for policy support largely sought Ethics Office input into new policies under development, such as the revision of the staff selection policy.

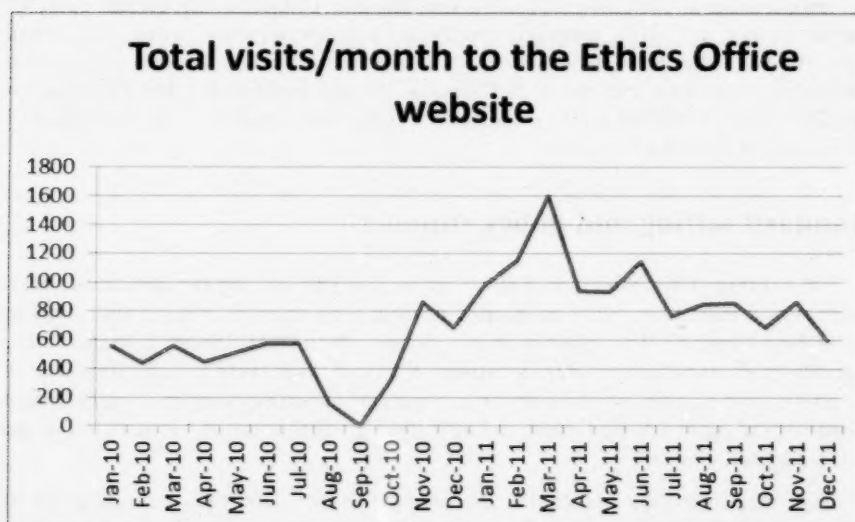
8. Of particular importance in this area of work were two critical areas of substantive work. One area was the Ethics Office input to the regulatory framework for the UNICEF enterprise risk-management policy. The Ethics Office is the main owner of the risk area on ethics and compliance and a joint owner of the areas of (a) organizational strategy, mission and vision; (b) ability to change; (c) governance and accountability; and (d) rewards and sanctions. The other critical area was the participation of the Principal Adviser, Ethics, as the UNICEF representative, on the technical working group of the International Civil Service Commission devoted to the revision of the Standards of Conduct for the International Civil Service. This revision has been an important topic of discussion in the Ethics Committee as well.

9. The Principal Adviser, Ethics, was invited in 2011 to attend meetings of the Global Management Team. This has provided an opportunity to contribute an ethics perspective to many discussions, especially on issues of leadership and ethics; the UNICEF mission and strategy; and on rewards and sanctions.

## Training, education and outreach

10. In 2011, the main means of outreach continued to be training, briefings to specific groups and use of the internet. New media were also introduced: information monitors<sup>2</sup> and webinars.

11. Since the launch of the ethics page on the UNICEF intranet in January 2010, the number of daily visits, while on an overall upward trend, has fluctuated in the short-term, reflecting activity of the office. The peak in February 2011 was due to financial disclosure registration, with a subsequent peak in May 2011 corresponding to the wrapping-up of the 2011 financial disclosure submission cycle. Peaks in visits during the past year correspond to increased interest after trainings. A decrease in website hits at the end of 2011 is likely due to staff involvement in other high-priority concerns such as the introduction of VISION. With the arrival of an Ethics Officer specializing in communications, the office anticipates an increase in the number of hits as new materials are added to the website. These materials will include a series on best ethical practices in UNICEF offices and a series on frequently asked questions.



12. Other innovative communications media are now being used. The information monitors now feature a daily quotation from a distinguished writer or thinker. These include material from a variety of cultures, religions and regions. Webinars are held on topics of concern and are keyed to the issues being raised with the Ethics Office. These have recently included sexual exploitation and abuse of authority, held in collaboration with DHR, and on the Financial Disclosure Programme.

13. Face-to-face ethics training continued in 2011. These sessions continue to use the valued-oriented module based on the Oath of Office. These sessions have involved co-trainers from the Policy and Administrative Law Section of DHR; from

<sup>2</sup> There are TV screens at central locations on each floor at UNICEF House in New York. They disseminate various kinds of information and are used to showcase UNICEF-sponsored activities.

the Investigations Section of OIA; and human resource officers from regional offices. Full-day sessions were held to cover all staff in seven country offices, one regional office, and four headquarters divisions. A number of focused briefings were held: two regional management team meetings, one of them by extended video conference; one meeting of deputy representatives; and two country offices, one of these by extended video link. Materials were provided to support another five country offices. Altogether, 1,750 staff members, or 15 per cent of UNICEF staff, participated in face-to-face trainings or briefings.

|                         | Full office training                                                                                                                                                                                         | Briefings                                                                                                                                           |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country offices</b>  | Cambodia, Democratic Republic of the Congo, Ethiopia, Indonesia, Morocco, Nigeria, Thailand                                                                                                                  | Peru, Zambia                                                                                                                                        |
| <b>Regional offices</b> | East Asia and Pacific Regional Office (EAPRO)                                                                                                                                                                | The Americas and Caribbean Regional Office (TACRO), West and Central Africa Regional Office (WCARO), deputy representatives and operations officers |
| <b>Headquarters</b>     | Governance, United Nations and Multilateral Affairs; Division of Communication, Information Technology Solutions and Services Division, DHR, New and Emerging Talent Initiative, new country representatives | Supply                                                                                                                                              |

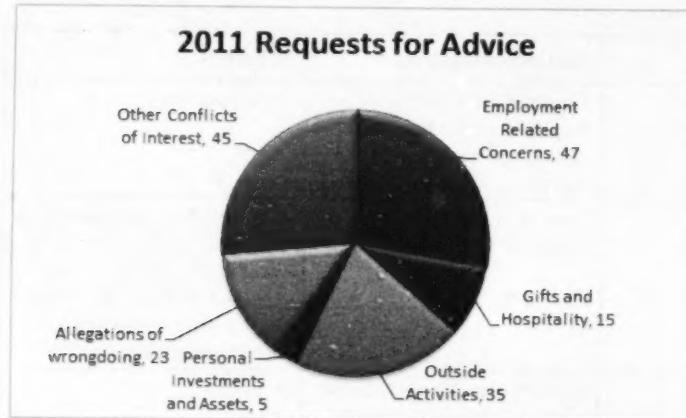
14. Evaluation surveys are completed after these training sessions. There is a consistently high value placed on these sessions, especially on the case study module, which reinforces the concepts discussed in an engaging way.

15. In 2011, cooperation with the Global Staff Association and the regional staff associations, expanded. The Ethics Office participated in Global Staff Association meetings, and in meetings of the TACRO Regional Staff Association and the New York Staff Association. This engagement includes briefings on issues of concern, including the policy on protection against retaliation, and the role of the Staff Association in helping staff to find guidance and support when they face problems in the workplace. Even more important is listening to the concerns of staff and bringing these issues to policy and management discussions. For example, all briefings with managers, including those following all-staff training, provide a means of creating a transparent environment and preventing harassment at any level.

16. These trainings, both face-to-face and virtual, consistently are followed by a spike in requests for advice.

## Advice and guidance

17. The number of requests for advice increased by 66 per cent in the past year, from 102 in 2010 to 170 in 2011. This is in addition to the provision of advice and guidance through the financial disclosure programme, discussed below. The increase appears to be due to increased awareness of the role of the Ethics Office and appreciation of its value in providing advice and guidance.



18. The number of queries specifically related to conflicts of interest in the broadest sense (the categories of outside activities, gifts, personal investments, and conflicts of interest considered together) doubled from 2010 to 2011. Most of these come from staff members who file financial disclosures and proactively raise concerns that might require reporting on the disclosure. Where it is advisable, and to ensure consistency in replies, the Ethics Office has developed a practice of outlining the conditions for mitigating conflicts of interest that arise in these situations, or suggesting remedial steps that should be taken. Where appropriate, staff members are often asked to share their agreement with these steps with their supervisor, their deputy or other staff members whose work could be affected. This process provides an assurance to the affected staff members that they are taking appropriate action, and ensures that decisions in an office can be made smoothly and without being prejudiced by personal interests.

19. The Ethics Office and the Policy and Administrative Law Section of DHR have increased their collaboration in responding to those who ask for permission to engage in outside activities, and this is resulting in the provision of more substantive and better-coordinated advice.

20. Employment-related concerns continue to be raised by staff members. Many of these have to do with allegations of harassment and abuse of authority, unfair treatment or inter-office disputes. Others have to do with perceived breaches of the rules and regulations. As appropriate, these are referred to the Office of the Ombudsman, to the Investigation Unit or to DHR. The Ethics Office continues to find that many of the concerns in this category have to do with miscommunication, often due to cultural differences, and that more explicit discussion of the diverse approaches to human relationships, especially from managers, could avoid many of

these concerns. This has become an important topic in briefings and trainings for managers.

## **Financial Disclosure Programme**

21. This was the fifth cycle of the Financial Disclosure Programme, and the second cycle using the online registration system and menu-driven forms for filing. Both these systems have proven robust, and they have been well received by users. The best indicator of the usefulness of these systems is the considerable decrease in the total number of queries received from staff members about the Financial Disclosure Statement. Most of these had to do with the mechanics of the system. In 2011, the Ethics Office received 628 technical queries from staff members about the programme, in contrast to 879 queries received in 2010 and 1091 in 2009.

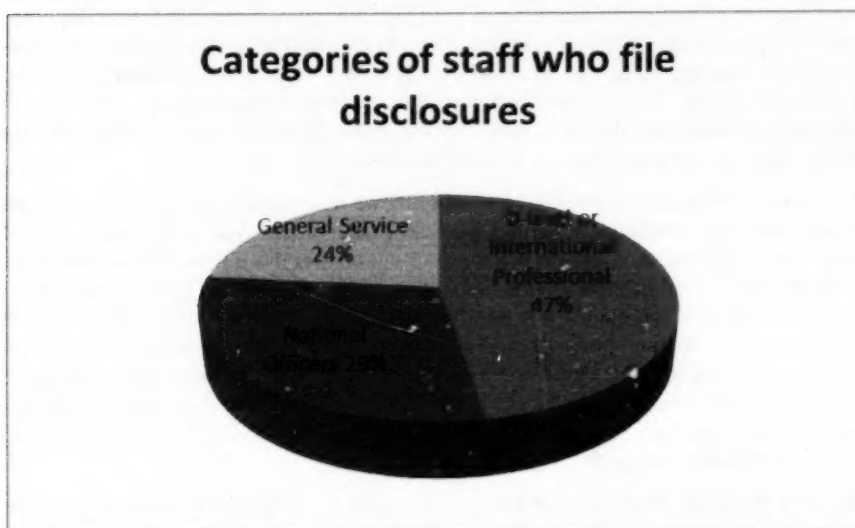
22. While in previous years the Financial Disclosure Programme filing period began in May or June, the filing period in 2011 began in March, to coincide with the filing periods of similar programme of the United Nations Secretariat, and the other funds and programmes. This meant that the period between the two filing cycles was only nine months, with the closing of the 2010 system overlapping with the preparation for the 2011 cycle. However, this cycle acceleration was important, in order to reinforce that this is a system-wide exercise and to ensure that mutually reinforcing messages are sent out across the system.

23. Several indicators show that the programme has become part of the corporate culture and that it is now accepted by staff. One is the continued high rates of compliance with the programme, which has remained at more than 99 per cent since 2009; this high level of compliance is reached earlier with each cycle, as more staff members meet the due date. Another is the reduction of queries about the rationale for the programme and fewer complaints from nominated participants. In 2010, there were 85 substantive queries, compared to 53 in 2011, a 38 per cent decrease. Finally, there are increased queries to the Ethics Office about conflicts of interest, even where these are not necessarily covered by the queries in the financial disclosure questionnaire.

24. The decision about who should file is made by the head of each division or office in consultation with the Ethics Office. As in previous years, in order to provide concrete guidance, the criteria for selection of staff as specified in the UNICEF policy on Financial Disclosure were reviewed by an ad hoc committee, comprising representatives from OIA, DHR, the Legal Office and the Executive Director's Office. As managers' understanding of the Financial Disclosure Programme increases, they increasingly take into account the nature of conflicts of interest that had occurred in the previous year and the categories of staff seen to be facing such conflicts of interest. As a result, the number of participants increased by 9 per cent, from 2,365 in 2010 to 2,592 in 2011.

| Year | Number of staff required to file | Number of disclosures submitted | Compliance |
|------|----------------------------------|---------------------------------|------------|
| 2007 | 2545                             | 2106                            | 82.8%      |
| 2008 | 2556                             | 2141                            | 83.8%      |
| 2009 | 2536                             | 2536                            | 100%       |
| 2010 | 2365                             | 2356                            | 99.6%      |
| 2011 | 2592                             | 2584                            | 99.7%      |

25. Of the staff who file, 47 per cent are D-level or international professional officers. Reflecting the decentralized nature of the UNICEF field structure, 29 per cent are national officers, and 24 per cent are general service staff.



#### Review of the financial disclosures

26. The review of disclosures is the first step in a discussion process with staff members on steps that are needed to mitigate conflicts of interest. For example, in the review of the financial disclosures files for director-level staff, actual or potential conflicts of interest were identified in one in four cases: 76 per cent had to do with a family interest; 14 per cent with outside activities; and 10 per cent with financial interests.

27. In each of these cases, the Ethics Office provided guidance to mitigate real conflicts or manage potential conflicts of interest. Staff members were required to put on record their agreement to this guidance.

28. The pattern of concerns and conflicts of interest, actual and potential, evident from the review has been very useful in sharpening ethics briefings for

representatives and other senior staff, and in addressing, in the ethics training, the topics and practices that most need discussion and guidance.

### **Ensuring compliance with the programme**

29. The names of the eight staff members who did not file as required were referred to DHR for disciplinary action.

30. The approval of contract renewals for senior staff and new appointments of existing staff to senior positions continues to require verification that they have complied with their obligations under the Financial Disclosure Programme. In 2011, the Ethics Office provided clearance for 118 staff. This practice has contributed to more rapid compliance at each stage of the disclosure process, from filing to review, and has emphasized the seriousness with which the organization considers this programme.

### **Administration of the programme**

31. The return to a full twelve-month cycle in 2011 allowed the Ethics Office to conduct, for the first time, a review in September — when the filing period was nearly complete — of new senior staff in UNICEF who had joined since the initial exercise. In addition, the Principal Adviser met with new senior staff to brief them on the programme and on mitigation of conflicts of interest.

32. Administration of the programme continues to require considerable attention to the registration processes and to providing help-desk responses to staff who encounter difficulties. The review process has also proven to require a significant component related to clarification and discussion, to ensure that all necessary data are present.

### **Future steps**

33. As the Financial Disclosure Programme in UNICEF is now in its sixth year, it is timely to fine-tune the programme so that it more effectively mitigates risks to the organization. One aspect of this would be to review eligibility criteria, based on experience regarding risks and the prevalence of conflicts of interest. The vast majority of conflicts identified in the review of disclosures have to do with family relationships and outside activities; relatively few concern financial engagements. It may therefore be advisable to look at the level of detail requested in the disclosure form in order to ensure that the kinds of conflicts that are prevalent in UNICEF are fully identified rather than emphasizing inessential details. This subject is now under discussion in the Ethics Committee, as the patterns for the funds and programmes are similar.

### **Protection of staff against retaliation**

34. In 2011, there were four requests for protection against retaliation. All four of these were directly related to perceived retaliation in response to a protected activity, whether reporting misconduct or cooperating with an investigation. This continues the pattern from 2010 and signifies that there is a wider understanding of the policy on protection against retaliation.

35. Of the four cases, two were successfully handled through informal means, including through the Ombudsmen's Office. In the third, there was insufficient evidence to proceed. The fourth case also had insufficient evidence to indicate retaliation due to the protected activity.

36. Another indicator that the policy is more widely known is that staff members now approach the Ethics Office to discuss the policy when they are considering reporting misconduct. In some cases, the staff member decides not to proceed with filing a harassment case. The Ethics Office is taking steps to build confidence among staff that the policy is workable and is capable of providing protection.

37. Based on this evidence, which is supported by the results of the global staff survey indicating that while staff members are aware of the policy there is a confidence gap, the Ethics Office is refining its strategy on making the policy on protection against retaliation better known. Besides reaching out to staff to publicize the policy and working with the Staff Association to ensure that it is known, the Ethics Office is working more closely with managers to ensure that they communicate to staff their commitment to a non-retaliatory culture in the workplace. The managers are encouraged to ensure that staff know the policy and can have confidence in it. This is a key element in fostering an environment of transparency and accountability.

### **United Nations Ethics Committee**

38. In 2011, UNICEF participated in all nine meetings of the United Nations Ethics Committee. In addition, UNICEF participated in the Ethics Network meeting, which brought together ethics offices from across the United Nations system. The regular consultations among the members of the Ethics Committee have helped to ensure greater consistency in the guidance provided by the ethics offices, and has contributed to better policy formulation. Full information on the work of the United Nations Ethics Committee and the Ethics Network is provided in the Report of the Secretary-General on the Activities of the Ethics Office presented at the Sixty-sixth session of the General Assembly (A/66/319).

### **Conclusion**

39. The Financial Disclosure Programme is proving its worth beyond its immediate function of reviewing staff engagements. It has increased overall awareness of potential conflicts of interest and of the need for transparency about such conflicts with colleagues. It has also helped to guide the training and awareness building carried out by the Ethics Office. In the coming year, adjustments should be considered in the kinds of information gathered, to direct this instrument towards the main areas of risk for the organization, making it more efficient and effective.

40. The policy on protection against retaliation is better known — and better understood — than when it was issued. Nevertheless, there is a need to build greater confidence in this policy. Even more, it is necessary to guide managers in inspiring their offices with a non-retaliatory and transparent culture. Accordingly, it is important to focus on this issue in management team meetings in the coming year.

41. The existing training, both the online and face-to-face trainings, need to be complemented and reinforced through regular discussion and consideration of ethics topics at the individual office level. Leadership, at every level, will help to model these discussions and make ethical decision-making a more conscious aspect of the UNICEF corporate environment.

42. Due to the significant increase in requests for advice (and in part due to the accelerated cycle of the financial disclosure programme), progress has lagged in some policy areas, including the revision of policies on financial disclosure and protection against retaliation. The addition of an Ethics Officer and a budget allocation for the biennium will enable the Ethics Office to extend its outreach and address these policy issues.

43. With the recruitment of an Ethics Specialist and establishment of the new system for financial disclosure, the Ethics Office can now focus more on a number of substantive concerns. In the policy area, the Ethics Office will either guide or contribute to the revision of ethics-related policies, in close consultation with DHR, the Legal Adviser and OIA. Special emphasis is being placed on preparing a policy on a child-friendly environment at home and building support for it.

44. Face-to-face training will continue to be a priority; modules on ethics awareness are being developed for stand-alone use at the country level. With online rules-based training in place, an updated training course will be developed that will link rules to values-based behaviour.

45. Finally, with respect to the Financial Disclosure Programme, more emphasis will now be placed on refining the risk areas encountered by staff and providing them with the needed counsel.